Appendix A Scoping Statement

SCOPING STATEMENT

Oil and Gas Lease Development

USDA Forest Service
Douglas Ranger District
Medicine Bow-Routt National Forests
And
Thunder Basin National Grassland
Campbell County, Wyoming

Proposed Action

The Douglas Ranger District of the Medicine Bow/Routt National Forests and Thunder Basin National Grassland is conducting an environmental analysis of a proposal by Barrett Resources Corporation to develop forty-one (41) coal bed methane wells on National Forest System lands. Barrett Resources Corporation is the leaseholder of existing oil and gas leases in the project area and has the right to develop its lease for oil and gas production.

Through the environmental analysis process, the Douglas District Ranger will determine where and under what terms and conditions the proponent may develop their gas leases while protecting the natural resources, and providing for public access and safety. Surface developments are required to be consistent with Medicine Bow National Forest Plan direction, the 1994 Record of Decision for Oil and Gas Leasing on the Thunder Basin National Grassland and the 1999 and 2001 Wyodak environmental decisions and other applicable laws and regulations.

Barrett Resource Corporation's proposed Thunderhead 1, 2, and 3 Plans of Development are located southeast of Wright, Wyoming. The project area covers approximately 3360 total acres of noncontiguous, isolated National Forest System Lands of the Thunder Basin National Grassland in Campbell County. Thunderhead 1 plan of development covers approximately 640 total acres and proposes 7 coal bed methane wells. Thunderhead 2 plan of development proposes 10 wells over approximately 800 total acres. Thunderhead 3 plan of development proposes 24 wells over approximately 1920 total acres. Total surface impact for all three Plans of Development is anticipated to be less than 175 total acres. Reference the attached map and the specific Township, Range, and Section locations where activities are proposed.

The three plans of development include drilling 41coal bed methane wells and the construction of ancillary facilities necessary to produce methane as described in the Wyodak Environmental Impact Statement.

The existing roads in the project area are shown on the map. Access to each Plan of Development is as follows:

Thunderhead 1: Approximately 3 miles east of SH 59-450 junction on SH 450, turn south on Forest Service land approximately 1300 ft. to the planned header building located in SW1/4 NE1/4 of Section 8 T43N R71W.

Thunderhead 2: Approximately 7.5 miles east of SH 59-450 junction on SH 450, turn south onto an existing oilfield road that will be extended west across Section 12 into Section 11, and extended southwest approximately 50 ft. on Forest Service land to a planned header building located at NE1/4 NW1/4 of Section 14 T43N R71W. Note: Gas gathering pipeline will be extended from the planned header building approximately 50 ft. on Forest Service land to an existing pipeline tie-in at NW1/4 NW1/4 of Section 23 T43N R71W.

Thunderhead 3 will be accessed by three routes:

Access 1: Approximately 5 miles south of the SH 59-450 junction on SH 59, turn east on the "Edwards" county road and travel approximately 2 miles, turn north on an existing oilfield road and travel north and east to an existing oil well location in SW1/4 of Section 19 T43N R71W. This existing road will be extended approximately 800 ft. north on Forest Service land to a planned header building located at SW1/4 NE1/4 of Section 19. From that location the road will be extended on Forest Service land approximately 5000 ft. east to a planned header building located at NE1/4 SW1/4 of Section 24 T43N R71W.

Access 2: Approximately 1.5 miles east from SH 59-450 junction on SH 450, turn south on an existing CBM improved road in Section 12 T43N R72W, travel east across Section 7, and continue southeast across Sections 17 and 16. This road will be extended approximately 1400 ft south on Forest Service land to a planned header building in SW1/4 NE1/4 of Section 21 T43N R71W.

Access 3: No new access road is planned on Forest Service land to the existing header building located in NE1/4 NW1/4 of Section 13 T43N R72W for planned federal wells located in SE1/4 of Section 14 T43N R72W.

The roads described above will typically serve as a common corridor for the gas, water and electric lines, as indicated on the Project map.

Single trenches for pipelines and underground electric lines linking a header building and its associated productive wells, will be, wherever possible, excavated along the access routes. Use of one trench will minimize disturbance of surface lands. Where it is not possible to co-locate water, gas, and electrical lines, separate trenches will be used.

The construction of each trench using a trencher will disturb an area not to exceed thirty feet wide. Where lines are co-located, the trench would contain separate polyethylene pipes to transport methane and water away from the well sites to the header building

and/or water discharge points, and underground electrical lines to provide power to the well sites. Approximately 10 miles of trenches will be constructed.

Wells will be drilled to depth of less than 1,000 feet. Drilling operations will typically disturb, at the most, approximately 0.25 acres per well site. Drilling rigs will be truckmounted, water well type and require little, if any, site preparation. Topsoil will be stockpiled for site reclamation. A mud cutting pit approximately 10 ft. by 20 ft. will be constructed and then backfilled after the well is drilled. Typically, one backhoe and one water truck accompany the rig. A truck-mounted pulling unit will run down hole production equipment. The site and all disturbed areas will be reclaimed and reseeded in accordance with Forest Service requirements.

Wellhead production facilities at each well will require a level area of approximately 10 feet by 10 feet. The production facilities at the well will consist of the wellhead and an insulated wellhead cover. In addition, each productive well will require the installation of an electric submersible pump below ground level that will be used to produce water. Dewatering is necessary to lower pressure within the coal seams and allow methane to be recovered

Once wells become operational, produced waters will be separated from the gas and collected in a buried polyethylene flow line (pipeline) for transportation to an approved produced water disposal location. Where feasible, produced water flow lines and gas flow lines will be co-located adjacent to the two-track access route.

Water discharge points will be in defined drainages. Discharge points have been approved or have been submitted for approval to the Water Quality Division of the Wyoming Department of Environmental Quality. All discharges will be into existing defined tributaries of Little Thunder Creek. No discharges into a closed hydrologic system will occur. Erosion prevention measures will be used in the construction of the discharge points.

Four central gathering facilities (headers) are proposed Construction of each header will disturb approximately 0.25 acres. New overhead and underground electrical lines will be constructed to provide electricity from existing overhead power lines to the central gathering facilities. No new overhead power lines are anticipated to be constructed on Forest Service land.

Facilities will meet color and tone visual requirements.

The amount of ground disturbance is anticipated to be consistent with estimates provided in the Wyodak Coal Bed Methane Project Final Environmental Impact Statement (October 1999). Total disturbance associated with well drilling, pipelines, access roads, and wellhead production facilities is expected to be less than 4.5 acres per well, with a total project disturbance of less than 175 acres.

Purpose and Need

Mineral leasing activities, development of leases, and production from those existing leases has been and continues to occur in the Powder River Basin of Wyoming. Mineral activities include the mining of coal, the production of hydrocarbons from conventional oil and gas wells, and the production of methane gas from the Wyodak-Anderson coal seam.

The first coal bed methane well was drilled in 1988. Development of and production from coal bed methane projects started about 1995, with escalating interest and development from then on. At present, coal bed methane development in the Powder River Basin is the most active onshore oil and gas development within the continental United States. Numerous oil and gas companies have developed or are planning new coal bed methane projects.

Coal bed methane is being extensively drained from un-drilled federal mineral acreage over large areas on lands adjacent to the Thunder Basin National Grassland. Drainage from un-drilled federal mineral acreage represents a large transfer of wealth from the public estate to the nonfederal estate owners and a potential loss of methane resources.

The purpose and need is to allow Barrett Resources to develop their oil and gas lease with the USDA Forest Service. Barrett Resources plan of developing coal bed methane wells on National Forest System Lands will return royalties to the Federal Treasury before methane resources are lost to other coal bed methane developers. The purpose of the environmental analysis is to evaluate the site-specific means by which Barrett Resources Corporation will develop coal bed methane wells in the Thunderhead 1, 2, and 3 Plans of Development on National Forest System Lands.

Area Description

The project area is within the administrative boundary of the Medicine Bow-Routt National Forest and Thunder Basin National Grassland, Douglas Ranger Station. This description of the affected environment is tiered to the Medicine Bow Forest Plan, the Grasslands Oil and Gas Environmental Impact Statement (EIS) and the Final Draft of the National Grasslands Plan.

Forest Plan management direction for the project area emphasizes livestock.

Visual Resource Management objectives are to design and implement management activities to blend with the natural landscape. The Visual Quality Objective for the area is modification, a classification that allows management activities to visually dominate the original characteristic landscape.

Recreation Opportunity Spectrum classes for the project area are rural and roadednatural. Rural areas are characterized as a natural environment substantially modified by development of structures and pastoral agricultural development. Roaded-natural areas are predominately natural appearing environments with moderate evidences of the sights and sounds of man.

The terrain in the project area is flat to gently rolling. Vegetation consists of various grasses and forbs, sagebrush and some cactus. Nicholson Draw and Little Thunder Creek are the main drainages in the area. Other drainages are intermittent.

Area uses include livestock grazing, oil and gas lease operations and recreational activities. Dispersed recreation occurs throughout the year, with moderate use being made of Little Thunder Reservoir. Fall hunting is limited by the interspersed fee and State acreages.

Sagebrush, grassland community wildlife species such as prairie dogs, mule deer, antelope, mountain plover, sage grouse and raptors inhabit the area. Mountain plovers are proposed for listing under the Endangered Species Act. Habitat for the endangered black-footed ferret and other sensitive wildlife species may occur in the area.

Cultural resources are expected to occur in the project area.

Decision to be Made

Through the environmental analysis process, the District Ranger will determine where and under what terms and conditions the proponent may develop their oil gas leases while protecting the natural resources, and providing for public access and safety. The decision will include what roads are to remain, how managed and if any need to be abolished, i.e., a roads analysis decision.

Relationship to Other Laws and Documents

The Mineral Leasing Acts of 1920 and 1947 authorizes the Bureau of Land Management as the minerals manager for the federal government. This includes lands administered by the USDA Forest Service. In 1987, the Federal Onshore Oil and Gas Leasing Reform Act was passed, which granted the Forest Service more authority in mineral decisions on National Forest System Lands. This Act determined that the Forest Service is responsible for analysis of the surface disturbing impacts of oil and gas operations on National Forest System lands. The Bureau of Land Management is responsible for the analysis of the down-hole aspects of an oil and gas proposal and final approval of authorizations to drill. The Bureau of Land Management's responsibility also includes the issue of impacts to above and below coal aquifers.

The Medicine Bow National Forest and Thunder Basin National Grasslands Land and Resource Management Plan of 1985, as amended, and the April 22, 1994 Record of Decision for the Environmental Impact Statement (EIS) for Oil and Gas Leasing on the Thunder Basin National Grassland provide standards, guidelines, and stipulations for oil and gas development on National Forest System lands.

In November 1999, the Bureau of Land Management signed the Record of Decision for the Wyodak Coal Bed Methane Project EIS. This document disclosed the cumulative impacts from drilling 5000 coal bed methane wells within the Powder River Basin. The Wyodak Coal Bed Methane EIS and Record of Decision was supplemented with the Wyodak Drainage Coal Bed Methane Environmental Assessment and Decision Record of March 26, 2001. The actions proposed in this scoping document are within the portion of the Thunder Basin National Grasslands that were included in the Wyodak analysis area. This analysis and document is "Tiered (40 CFR, Part 1502.20)" to the Wyodak Coal Bed Methane Project EIS.

Public To Comment

The public is invited to provide comment and identify issues on the proposed development of the existing oil and gas lease. Please submit your comments on this project to the Douglas Ranger District Office by August 6, 2001. Comments should be submitted to the Douglas Ranger District; Attention: Joe Reddick, 2250 E. Richards, Douglas, WY 82633.

This request for public comment has also been mailed to other federal, state, and local agencies, adjacent land owners, and individuals or organizations who may be interested in or affected by decisions related to Barrett Resources Corporation proposal. Notice of this public involvement effort has also been published in the Casper Star-Tribune.

Comments received in response to this solicitation, including names and addresses of those who comment, will be considered part of the public record on this proposed action and will be available for public inspection. Comments submitted anonymously will be accepted and considered, however, those submitting anonymous comments will not have standing to appeal the subsequent decision under 36 CFR Part 215.

Additionally, pursuant to 7 CFR 1.27 (d), any person may request the agency to withhold a submission from the public record by showing how the Freedom of Information Act (FOIA) permits such confidentiality. Persons requesting such confidentiality should be aware that, under the FOIA, confidentiality may be granted in only very limited circumstances, such as to protect trade secrets. The Forest Service will inform the requester of the agency's decision regarding the request for confidentiality, and where the request is denied, the agency will return the submission and notify the requester that the comments may be resubmitted with or without name and address within 10 days.

For further information, contact Alice Allen at Custer / Hell Canyon Ranger District, 330 Mt. Rushmore Road, Custer, SD 57730-1928 telephone (605) 673-4853.

NORMAN L. WAGONER	Date

District Ranger

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